

MOHAVE COUNTY AIRPORT AUTHORITY, INC.

FINANCIAL STATEMENTS

JUNE 30, 1992

MOHAVE COUNTY AIRPORT AUTHORITY, INC.
FINANCIAL STATEMENTS
JUNE 30, 1992

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Voordeckers & Mosby

Certified Public Accountants

Robert J. Voordeckers, CPA

Robin R. Mosby, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mohave County Airport Authority, Inc.
Bullhead City, Arizona

We have audited the accompanying general purpose financial statements of the Mohave County Airport Authority, Inc. as of and for the year ended June 30, 1992, as listed in the table of contents. These general purpose financial statements are the responsibility of the Mohave County Airport Authority, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and with Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Mohave County Airport Authority, Inc. at June 30, 1991, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Mohave County Airport Authority, Inc. The information in the supporting schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Voordeckers & Mosby
Certified Public Accountants
October 8, 1992

Account Groups

General <u>Fixed Assets</u>	Long-Term <u>Debt</u>	Totals (Memorandum Only)
\$ -	\$ -	\$ 130,353
-	-	189,096
-	-	11,922
-	-	312,478
-	-	473
-	-	23,578
3,654,079	-	18,314,176
184,125	-	565,011
5,387	-	14,107
-	62,431	62,431
\$ 3,843,591	\$ 62,431	\$ 19,623,625
=====	=====	=====

Account Groups

General Fixed Assets	Long-Term Debt	Totals (Memorandum Only)
\$ -	\$ -	\$ 48,971
-	-	317,038
-	-	2,295
-	-	87,338
-	-	4,650
-	-	38,108
-	-	530,645
-	31,945	722,862
-	30,486	30,486
-	62,431	1,782,393
-	-	13,840,252
3,843,591	-	3,843,591
-	-	294,992
-	-	(217,487)
-	-	79,884
3,843,591	-	17,841,232
\$ 3,843,591	\$ 62,431	\$ 19,623,625
=====	=====	=====

MOHAVE COUNTY AIRPORT AUTHORITY, INC.
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE-ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1992

	Kingman Airport General Fund -----
Revenues	
Rents-Leases and Tie Downs	\$ 228,135
Interest Income	7,605
Proceeds of Land Sale	150,637
Federal Grants	55,186
State Grants	82,908
Other Revenues	-----44,057
Total Revenues	-----568,528
Expenditures	
General and Administrative	392,259
Capital Expenditures	333,126
Debt Service	
Principal Retirement	23,506
Interest	-----2,707
Total Expenditures	-----751,598
Excess Revenues <Expenditures>	(183,070)
Other Financing Sources	
Proceeds From Notes Payable	-----69,367
Excess Revenues and Other Financing Sources Over Expenditures	(113,703)
Fund Balance, Beginning of Year	243,462
Equity Transfer	-----52,254
Fund Balance, End of Year	\$ 77,505 =====

The accompanying notes are an integral part of these financial statements.

MOHAVE COUNTY AIRPORT AUTHORITY, INC.
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND EQUITY - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 1992

	Proprietary Fund Type - Laughlin Bullhead Airport_____
Operating Revenues	
Leases and Landing Fees	\$____233,126
Operating Expenses	
Salaries and Wages	139,367
Payroll Taxes	12,847
Workmenn's Compensation	3,404
Auto, Travel and Entertainment	4,552
Bank Charges	2,734
Depreciation	159,767
Amortization	2,180
Education	8,141
Insurance - General	16,784
Insurance - Group	5,996
Miscellaneous	7,532
Office Expense	3,415
Outside Services	136,650
Professional Fees - Legal	18,916
Professional Fees - Accounting	3,885
Professional Fees - Other	4,630
Repairs and Maintenance	7,935
Supplies	1,019
Tax and Licenses	4,102
Telephone	5,639
Utilities	20,511

	570,006
Operating Income (Loss)	----- (336,880)

The accompanying notes are an integral part of these financial statements.

MOHAVE COUNTY AIRPORT AUTHORITY, INC.
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND EQUITY - PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED JUNE 30, 1992

	Proprietary Fund Type - Laughlin Bullhead <u>Airport</u>
Non-Operating Revenues (Expenses)	
Interest Income	\$ 23,746
Casino Funding	108,171
Miscellaneous Income	48,868
Interest Expense	<u>(34,022)</u>
Total Non-Operating Revenue (Expenses)	 <u>146,763</u>
Net Income (Loss)	 (190,117)
Fund Equity, Beginning of Year	-
Equity Transfer	<u>14,110,253</u>
Fund Equity, End of Year	\$13,920,136 =====

The accompanying notes are an integral part of these financial statements.

MOHAVE COUNTY AIRPORT AUTHORITY, INC
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1992

Kingman Airport
 General Fund
 (Non-GAAP)

	<u>Budgeted</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues			
Rents-Leases and Tie Downs	\$ 286,960	\$ 228,135	\$ (58,825)
Interest Income	8,000	7,605	(395)
Proceeds of Land Sale	250,000	150,637	(99,363)
Federal Grants	530,000	60,017	(469,983)
State Grants	576,473	58,242	(518,231)
Other Revenues	<u>60,000</u>	<u>44,057</u>	<u>(15,943)</u>
Total Revenues	<u>1,711,433</u>	<u>548,693</u>	<u>(1,162,740)</u>
Expenditures			
General and Administrative	447,135	391,213	55,922
Capital Expenditures	1,979,526	290,552	1,688,974
Debt Service	<u>13,200</u>	<u>26,213</u>	<u>(13,013)</u>
Total Expenditures	<u>2,439,861</u>	<u>707,978</u>	<u>1,731,883</u>
Excess Revenues <Expenditures>	(728,428)	(159,285)	569,143
Other Financing Sources			
Proceeds From Notes Payable	<u>500,000</u>	<u>69,367</u>	<u>(430,633)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	\$ (228,428) =====	(89,918)	\$ 138,510 =====
Fund Balance, Beginning Of Year		243,462	
Equity Transfer		(52,254)	
Adjustments to Conform with Generally Accepted Accounting Principles		<u>(23,785)</u>	
Fund Balance, Ending (GAAP Basis)		\$ 77,505 =====	

The accompanying notes are an integral part of these financial statements.

MOHAVE COUNTY AIRPORT AUTHORITY, INC
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND EQUITY-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1992

Laughlin Bullhead Airport
(Non-GAAP)

	Budgeted	Actual	Variance- Favorable (Unfavorable)
Revenues			
Leases and Landing Fees	\$ 811,940	\$ 221,204	\$ (590,736)
Interest Income	-	23,746	23,746
Federal Grants	2,100,000	3,944,025	1,844,025
State Grants	475,000	520,957	45,957
Casino Funding	110,000	108,171	(1,829)
Other Revenues	<u>40,000</u>	<u>48,868</u>	<u>8,868</u>
Total Revenues	<u>3,536,940</u>	<u>4,866,971</u>	<u>1,330,031</u>
Expenditures			
General and Administrative	660,543	399,040	261,503
Capital Expenditures	4,125,988	5,728,155	(1,602,167)
Debt Service	<u>130,620</u>	<u>5,164</u>	<u>125,456</u>
Total Expenditures	<u>4,917,151</u>	<u>6,132,359</u>	<u>(1,215,208)</u>
Excess Revenues <Expenditures>	(1,380,211)	(1,265,388)	114,823
Other Financing Sources			
Proceeds From Notes Payable	<u>1,325,000</u>	<u>1,215,663</u>	<u>(109,337)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	\$ (55,211) =====	(49,725) =====	\$ 5,486 =====
Fund Equity, Beginning Of Year		-	
Equity Transfer		14,110,253	
Adjustments to Conform with Generally Accepted Accounting Principles		<u>(140,392)</u>	
Fund Equity, Ending (GAAP Basis)		\$ 13,920,136 =====	

The accompanying notes are an integral part of these financial statements.

MOHAVE COUNTY AIRPORT AUTHORITY, INC.
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 1992

	Enterprise Fund Laughlin - Bullhead City <u>Airport</u>
Cash Flows From Operating Activities:	
Operating Income (Loss)	\$ (336,880)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	159,767
Amortization	2,180
(Increase) Decrease in Assets:	
Accounts Receivable - Leases	(11,922)
Prepaid Expenses	(9,436)
Increase (Decrease) in Liabilities:	
Accounts Payable	10,557
Payroll Taxes Payable	1,330
Other Accrued Liabilities	5,176
Prepaid Leases	4,650
Lease Deposits	<u>38,108</u>
Net Cash Required By Operating Activities	<u>(136,470)</u>
Cash Flows From Noncapital Financing Activities:	
Transfer From General Fund	51,021
Casino Funding	108,171
Miscellaneous Income	<u>48,868</u>
Net Cash Provided By Noncapital Financing Activities	<u>208,060</u>
Cash Flows From Capital and Related Financing Activities:	
Acquisition and Construction of Fixed Assets	(5,737,736)
Proceeds From Long-Term Debt	1,215,663
Federal Grants	3,944,025
State Grants	520,957
Other Subsidies For Capital Activities	178,000
Repayment of Principal on Debt	(4,201)
Interest Expense	<u>(964)</u>
Net Cash Provided By Capital and Related Financing Activities	<u>115,744</u>

The accompanying notes are an integral part of these financial statements.

MOHAVE COUNTY AIRPORT AUTHORITY, INC.
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 1992

	Enterprise Fund Laughlin - Bullhead City <u>Airport</u>
Cash Flows From Investing Activities:	
Interest Received	\$ <u>23,746</u>
Net Cash Provided By Investing Activities	<u>23,746</u>
Net Increase In Cash and Cash Equivalents	211,080
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	\$ 211,080 =====
Cash and Cash Equivalents at End of Year	
Consists of:	
Unrestricted	
Cash and Investments	\$ 21,984
Restricted	
Cash and Investments	<u>189,096</u>
	\$ 211,080 =====

The accompanying notes are an integral part of these financial statements.

MOHAVE COUNTY AIRPORT AUTHORITY, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1992

1. Summary of Accounting Policies

The Mohave County Airport Authority, Inc. was incorporated in the state of Arizona in January 1979 as a nonprofit corporation. The authority operates, maintains, and manages the Kingman Airport and Industrial Park for the City of Kingman, and the Laughlin-Bullhead City Airport for Mohave County in the State of Arizona. The authority is administered by the board of directors who are elected by the membership of the authority.

The authority is considered to be a political subdivision of the state of Arizona, Mohave County and the City of Kingman with the responsibility of carrying out the functions of airport management, maintenance and operation. The accounting policies of the authority conform with generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

Reporting Entity

The authority is an autonomous reporting entity. The financial statements presented include all of the funds and account groups relevant to the operations of the Mohave County Airport Authority, Inc.

Fund Accounting

The accounts of the authority are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. During the year, new facilities were opened at the Laughlin-Bullhead City Airport, and the authority took over full operations of the facilities. For the year ended June 30, 1992, the Laughlin-Bullhead City Airport was accounted for in a separate enterprise fund. The Kingman Airport and Industrial Park continues to be accounted for as a governmental fund type, in the general fund and related account groups.

The authority leases the real property, on which the airports and industrial park is located, from Mohave County and the City of Kingman under a long term lease. Primary sources of funding for the authority are rents from subleasing real property, landing and tie down fees, proceeds from the sale of real property located in the Kingman Airport Industrial Park, and grants from other governmental units. Functions financed by the general fund include the management, maintenance, and development of the Kingman Airport and the Kingman Airport Industrial Park.

The various funds are grouped, in the financial statements in this report, into general fund types and broad fund categories as follows:

Governmental Funds

GENERAL FUND - The General Fund is the general operating fund of the authority. It is used to account for all financial resources except for those required to be accounted for in another fund.

Proprietary Funds

ENTERPRISE FUNDS - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses) of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The authority operates only one enterprise fund which operates the Laughlin-Bullhead City Airport.

Account-Groups

GENERAL FIXED ASSETS ACCOUNT GROUP - This account group was established to account for all fixed assets of the authority other than those accounted for in Enterprise Funds.

GENERAL LONG-TERM DEBT GROUP - This account group was established to account for the unmatured general long-term debt of the authority expected to be repaid from the General Fund.

Property and Equipment and Long-Term Liabilities

The accounting and reporting treatment applied to property and equipment and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance (net current assets) is considered a measure of "available spendable, resources". Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financial uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Property and equipment used in the general fund are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. An allowance for accumulated depreciation is recorded as a reduction of the investment in fixed assets account. No depreciation has been recorded in the statement of revenues, expenditures, and changes in fund balance for governmental fund types.

All property and equipment are valued at historical cost. The authority has adopted a policy of capitalizing "infrastructure" general fixed assets (roads, lighting, drainage, sewer, water, and other similar assets).

Certain assets constructed at the Laughlin-Bullhead City Airport were financed with loan proceeds. Interest incurred during construction has been capitalized to the cost of the asset in the amount of \$47,563. Costs incurred to construct fixed assets that have been substantially provided from federal and state grants, have not capitalized interest in the costs during the construction of those assets.

Long-term liability expected to be financed from the general fund are accounted for in the General Long-Term Debt Account Group, not in the general fund.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Current additions of property, plant, and equipment to the authority's only proprietary fund, the Laughlin-Bullhead City Airport, are recorded at cost. Costs are capitalized to the balance sheet of the fund and related depreciation is recorded as an expense.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The governmental general fund used by the authority is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenues from grants are recognized when they become available from the granting agency, usually as the related costs are incurred on construction projects. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and Budgetary Accounting

The authority adopts an annual nonappropriated budget as a management control device. The budget is prepared on a cash basis, which is a different basis of accounting than is used to present the financial statements.

The statement of revenues, expenditures, and changes in fund balance-budget and actual presents comparisons of adopted budgets with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant timing differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 1992, is as follows:

	Kingman Airport	Laughlin- Bullhead City Airport
Excess of revenues (expenditures) (budgetary basis)	\$ (89,918)	\$ (49,725)
Adjustments:		
To remove beginning accrued revenues	(30,992)	(1,047,992)
To add back beginning accrued expenditures	51,722	1,046,508
To add back ending accrued revenues	50,828	273,572
To deduct ending accrued expenditures	(95,343)	(358,004)
To adjust basis to Proprietary Fund Type	-----	-----
		(54,476)
Excess of revenues (expenditures) (GAAP basis)	\$ (113,703)	\$ (190,117)
	=====	=====

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Reserves of Fund Equity

The authority records reserves to indicate that a portion of the fund equity is segregated for a specific future use. The authority is obligated to invest an amount equal to the proceeds from sales of real property in the Kingman Airport Industrial Park in improvements to the Kingman Airport. The authority has five years from the sale of real property to the expenditure of funds for airport improvements and is in compliance with all regulations regarding the sale of land at the Kingman Airport and Industrial Park.

Cash Flows

For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Total Columns on Combined Statements

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. Cash and Investments

Investments are stated at cost, which approximates market. The authority's investments are in a mutual fund investing in U.S. Treasury Securities. Investment income is recorded in the fund making the investment.

Statement Three (3) of the Governmental Accounting Standards Board (GASB) requires that the authority categorize its investments and deposits according to the level of risk assumed. For investments, these categories are described as follows:

Category 1: Investments that are insured or registered, or for which the securities are held by the authority or its agents in the authority's name.

Category 2: Investments that are uninsured or unregistered, with securities held by the broker's trust department or agent in the authority's name.

Category 3: Investments that are uninsured and unregistered, with securities held by the broker, or by the trust department or agent, but not in the authority's name.

As of June 30, 1992, the authority's investments totaled \$189,296, all of which was invested in a mutual fund, as described above, held at the trust department of First Interstate Bank of Arizona (Category 2). The investments were made with the proceeds of loans from the Arizona Department of Transportation and are restricted to acquire certain capital assets. Therefore, the investment amount is shown as a restricted asset on the accompanying balance sheet.

The GASB Statement No. 3 risk categories for deposits are described as follows:

Category 1: Bank deposits that are insured or collateralized with securities held by the authority or by its agent in the authority's name.

Category 2: Bank deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the authority's name.

Category 3: Bank deposits that are collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the authority's name.

At June 30, 1992, the carrying amount of the authority's deposits was \$130,178, all of which was covered by federal depository insurance (Category 1). The authority has \$175 in an imprest petty cash fund.

3. Accounts Receivable - Leases

Amounts due from lease income earned, but not yet received, by the enterprise fund. The leases are secured by deposits from the leasees, therefore, no allowance has been made for doubtful accounts.

4. Accounts Receivable - Federal and State Grants

Amounts due from grants from the Federal and Arizona governments. Revenues are accrued on the construction projects based on the work completed to June 30, 1992. The related expenditures on the construction projects are accrued as contracts payable on the balance sheet.

5. Refundable Deposits

Amount of deposit with the state workmen's compensation fund based on the authority's estimated annual premium.

6. General Fixed Assets Account Group

The following is a summary of changes in the general fixed asset account group and the Laughlin-Bullhead City Airport Enterprise Fund.

	Balance July 1, 1991	Additions	Deductions	Balance June 30, 1992
<u>General Fixed Assets</u>				
Land Improvements				
Airport	\$ 2,832,130	\$ 114,479	\$ 277,838	\$ 2,668,771
Land Improvements				
Industrial Park	1,376,898	5,909	-	1,382,807
Bldgs & Improvements				
Airport	245,755	37,040	15,152	267,643
Bldgs & Improvements				
Industrial Park	106,198	-	-	106,198
Furniture, Fixtures				
Equipment	55,819	2,700	9,641	48,878
Vehicles	50,493	-	20,879	29,614
Machinery Equipment	-	33,070	-	33,070
	4,667,293	193,198	323,510	4,536,981
Accumulated				
Depreciation	757,326	184,234	58,658	882,902
Property & Equipment				
Net	3,909,967	8,964	264,852	3,654,079
Construction in				
Progress	10,059,634	212,740	10,088,249	184,125
Other Assets				
Net of Amortization	6,822	-	1,435	5,387
	\$13,976,423	\$ 221,704	\$10,354,536	\$ 3,843,591
	=====	=====	=====	=====

Deductions of \$10,211,458, net of accumulated depreciation, represents transfers of beginning balances to the Laughlin-Bullhead Airport Enterprise Fund.

Accumulated depreciation is recorded as a reduction of the investment in fixed assets, as discussed in note 1. Estimated useful lives used to compute accumulated depreciation on a straight line basis are as follows:

Land Improvements	10-30 years
Buildings & Improvements	10-25 Years
Furniture, Fixtures & Equipment	5-8 Years
Vehicles	3 years
Machinery and Equipment	7-15 years

Other assets include an industrial park plan with an original cost of \$9,300 being amortized over 15 years, and a promotional video tape with an original cost of \$5,700 being amortized over 7 years. Accumulated amortization for the industrial park plan and the promotional tapes are \$7,440 and \$2,173 respectively.

	Balance			Balance		
	<u>July 1, 1991</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 1992</u>		
Enterprise Fund - Laughlin-Bullhead City Airport						
Land Improvements						
Airport	\$ -	\$13,571,858	\$ -	\$ 13,571,858		
Bldgns & Improvement						
Airport	-	942,710	-	942,710		
Furniture, Fixtures						
Equipment	-	10,417	-	10,417		
Vehicles	-	24,228	-	24,228		
Machinery Equipment	-	323,173	-	323,173		
	-	14,872,386	-	14,872,386		
Accumulated						
Depreciation	-	212,289	-	212,289		
Property & Equipment						
Net	-	14,660,097	-	14,660,097		
Construction in						
Progress	-	14,615,938	14,235,052	380,886		
Other Assets						
Net of Amortization	-	8,720	-	8,720		
	\$ -	\$29,284,755	\$14,235,052	\$ 15,049,703		
	=====	=====	=====	=====		

Additions of \$10,211,458, net of accumulated depreciation, represents transfers of beginning balances from General Fixes Assets.

Depreciation and amortization are charged as expenses against operations for proprietary funds in the current period. For the year ended June 30, 1992, depreciation and amortization expenses charged to the Laughlin-Bullhead City Airport Enterprise Fund were \$159,767 and \$2,180 respectively. Estimated useful lives used to compute accumulated depreciation on a straight line basis are as follows:

Land Improvements	10-30 years
Buildings & Improvements	10-25 Years
Furniture, Fixtures & Equipment	5-8 Years
Vehicles	3 years
Machinery and Equipment	7-15 years

Other assets include an airport layout plan with an original cost of \$10,900 being amortized over 5 years. Accumulated amoritization is \$2,180 at June 30, 1992.

7. Notes Payable

Notes Payable for the general fund consists of the following:

Note payable to a bank in monthly installments of \$1,000, plus interest at prime plus 2.07%, unsecured, the note matures in February 1993. \$ 31,297

Note payable to a bank in monthly installments of \$328, including interest at 12%, secured by a vehicle with an original cost of \$13,800, maturing in August 1992. ----- 648

\$ 31,945
=====

Maturing as Follows:

	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
Year ended 6/30/92	\$ 31,945	\$ 1,584	\$ 33,529
	=====	=====	=====

Changes in General Long-Term Debt Account Group:

Beginning Balance	\$ 26,670
Proceeds From Borrowings	36,297
Principle Retirement	(20,922)
Transfer to Enterprise Fund	----- (10,100)
Ending Balance Long-Term Debt	\$ 31,945
	=====

Notes Payable for the enterprise fund consists of the following:

Note Payable in monthly installments of \$360, including interest at 9.50%, secured by a vehicle with an original cost of \$15,734, maturing in March 1994. \$ 6,594

Note Payable in monthly installments of \$139, plus interest at prime plus 5.50%, unsecured, maturing in December 1993. 2,654

Note Payable to the Arizona Department of Transportation in annual installments of \$100,000, plus interest at 8.10%, unsecured, maturing in October 1994. 300,000

Note Payable to the Arizona Department of Transportation in annual installments of \$500,000 and \$525,000, including interest at 7.305%, secured by grants expected to be awarded by the state of Arizona, maturing in August 1993.

	912,314

	1,221,562
Less Current Portion	530,645

	\$ 690,917
	=====

Maturing as follows:

	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
Year ended 6/30/93	\$ 530,645	\$ 99,854	\$ 630,499
6/30/94	590,917	54,195	645,112
6/30/95	100,000	8,100	108,100
	-----	-----	-----
	\$ 1,221,562	\$ 162,149	\$ 1,383,711
	=====	=====	=====

Debt service payment of \$500,000 for the year ended June 30, 1993 and \$525,000 for the year ended June 30, 1994 are to be made with the proceeds of grants to be received from the Arizona Department of Transportation, which were loaned in advance in order to complete construction of the Laughlin-Bullhead City Airport.

Changes in Enterprise Fund Long-Term Debt:

Beginning Balance	\$ -
Transfer from General Long-Term Debt	10,100
Proceeds from Borrowings	1,215,663
Principal Retirement	(4,201)

	\$ 1,221,562
	=====

8. Capitalized Lease Obligations

Capitalized Lease Obligations at June 30, 1992.

Kingman Airport General Fund:

Payable to J. I. Case, Inc in monthly installments of \$802, through March 1996, including interest at 7.68%, secured by equipment with a cost of \$33,070.

\$ 30,486
=====

Minimum future lease payments under capital leases together with the present value of net minimum lease payments as of June 30, 1992 is as follows:

Year ended June 30, 1993	\$	9,624
1994		9,624
1995		9,624
1996		6,416
1997		-
Years thereafter		-----
Total minimum lease payments		35,288
Less amount representing interest		-----4,802
Present value of net minimum lease payments	\$	30,486
		=====

9. Reserved Fund Balance

As discussed in Note 1, the authority is obligated by the Federal Aviation Administration to invest an amount equal to the proceeds of land sales at the Kingman Industrial Park in improvements to the Kingman Airport within five years from the date of the sale. The amount obligated to be spent for airport improvements in the reserved fund balance at June 30, 1992 is \$294,992. The authority complies with all regulations regarding its sale of land at the Kingman Airport and Industrial Park.

Changes in the Reserved Fund Balance during the year were as follows:

Balance, Beginning of Year	\$	338,495
Add: Land Sales During Year		150,637
Deduct: Improvements at Kingman Airport		----- (194,140)
	\$	294,992
		=====

The FAA, which oversees the obligation, accounts for land sales and the related investment in airport improvements on a calendar year basis.

As of June 30, 1992, the authority is obligated to invest in airport improvements as follows:

Year ending December 31, 1995	\$	117,355
Year ending December 31, 1996		72,950
Year ending December 31, 1997		-----104,687
	\$	294,992
		=====

10. Lease Revenues

As discussed in note 1, the authority subleases under operating leases, certain real property and improvements.

Cost of improvements made by the authority that are being leased is \$319,480 with related accumulated depreciation of \$104,055, for the Kingman Airport, and \$646,624 with related accumulated depreciation of \$16,130, for the Laughlin-Bullhead City Airport.

The operating leases have varying terms ranging from a month to month basis to twenty-five years. Most leases extending over a one year period contain a rent adjustment based on the consumer price index. Some leases contain an option to renew for a similar term.

Minimum future rentals to be received on non-cancelable leases as of June 30, 1992 for each of the next five years and in the aggregate are:

	Kingman Airport	Laughlin Bullhead Airport
Year ended June 30, 1993	\$ 29,550	\$ 218,889
June 30, 1994	24,950	129,300
June 30, 1995	14,700	129,300
June 30, 1996	14,700	129,300
June 30, 1997	14,700	125,425
Years thereafter	207,000	1,680,000
Total minimum future rentals	\$ 305,600	\$ 2,412,214
	=====	=====

11. Cash Flows

The Laughlin Bullhead City Airport Enterprise Fund had the following non-cash transactions during the year ended June 30, 1992:

Acquisition of fixed assets with long-term debt	\$ 3,349
	=====
Transfer of non-cash assets and liabilities from general fund and related account groups	\$ 14,059,232
	=====

12. Commitments

As discussed in note 1, the authority leases the real property of the Kingman and the Laughlin-Bullhead City Airports and the Kingman Industrial Park from Mohave County and the City of Kingman. The term of the lease is for twenty-five years, expiring in the year 2011, with an option to renew for an additional twenty-five years. Rents on the leases are payable in annual installments of one dollar.

13. Related Party Transactions

The Mohave County Airport Authority, Inc. receives a substantial portion of its revenues from federal and state grants for use on construction projects. Amounts received from federal and state grants during the year for the Kingman Airport General Fund and the Laughlin-Bullhead Airport Enterprise Fund were \$138,094 and \$3,678,640 respectively. At June 30, 1992, amounts due from federal and state grants for the Kingman Airport General Fund and the Laughlin-Bullhead Airport Enterprise Fund were \$50,828 and \$261,650, respectively. Grants received by the enterprise fund are recorded as contributed capital.

14. Subsequent Events

Effective July 1, 1992, the Kingman Airport and Industrial Park separated from the Mohave County Airport Authority, Inc. to form a separate entity to be known as the Kingman Airport Authority, Inc. All assets and liabilities of the Kingman Airport general fund and related account groups were transferred to the new entity. The Mohave County Airport Authority, Inc., continues to own all of the assets and liabilities of the Laughlin-Bullhead City Airport Enterprise Fund.

The Mohave County Airport Authority, Inc. is attempting to renegotiate the terms of their note payable to the Arizona Department of Transportation, with a balance of \$300,000 at June 30, 1992. The authority wishes to change the payoff schedule from three years to five years. Pending the outcome of the negotiations, the Arizona Department of Transportation has accepted an initial payment of \$75,335 at October 1, 1992, reduced from the scheduled payment of \$124,300.

During the subsequent year the Kingman Airport Authority, Inc. received a loan of \$400,000 from the Arizona Department of Transportation, payable in five annual installments of \$96,227, including interest at 6.49%. Proceeds of the loan are to be used to restore a hangar at the Kingman Airport. The loan is secured and expected to be repaid from the proceeds of the lease of the hangar.

MOHAVE COUNTY AIRPORT AUTHORITY, INC.
 SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENDITURES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1992

	Kingman Airport General Fund

Salaries and Wages	\$ 185,595
Payroll Tax Expense	17,109
Workmen's Compensation	2,846
Advertising and Promotion	10,799
Auto, Travel and Entertainment	13,545
Conferences and Seminars	3,828
Dues and Subscriptions	1,860
Fuel and Oil	5,136
Insurance-General	28,284
Insurance-Group	15,275
Legal Publication	767
Miscellaneous	11,256
Office Expense	10,789
Outside Services	4,493
Professional Fees-Legal	20,358
Professional Fees-Accounting	4,430
Repairs and Maintenance	15,628
Surveying, Appraisals and Fees	2,713
Tax and Licenses	504
Telephone	7,294
Utilities	29,750

	\$ 392,259
	=====

Voordeckers & Mosby
Certified Public Accountants

Robert J. Voordeckers, CPA

Robin R. Mosby, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mohave County Airport Authority, Inc.
Bullhead City, Arizona

We have audited the general purpose financial statements of the Mohave County Airport Authority, Inc., for the year ended June 30, 1992 and have issued our report thereon dated October 8, 1992. These general purpose financial statements are the responsibility of the Mohave County Airport Authority, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Mohave County Airport Authority, Inc. taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Voordeckers & Mosby
Certified Public Accountants
October 8, 1992

Revenue

<u>Accrued at</u> <u>July 1, 1991</u>	<u>Received During</u> <u>Current Year</u>	<u>Accrued at</u> <u>June 30, 1992</u>	<u>Total</u>	<u>Expenditures</u>
\$ 1,808	\$ 4,467	\$ -	\$ 2,659	\$ 2,659
-	43,526	4,173	47,699	47,699
13,792	22,593	-	8,801	8,801
136,700	161,200	88,726	113,226	113,226
856,962	3,755,765	-	2,898,803	2,898,803
-	-	108,325	108,325	108,325
<u>9,004</u>	<u>16,491</u>	<u>-</u>	<u>7,487</u>	<u>7,487</u>
\$ 1,018,266	\$ 4,004,042	\$ 201,224	\$ 3,187,000	\$ 3,187,000
=====	=====	=====	=====	=====

Voordeckers & Mosby
Certified Public Accountants

Robert J. Voordeckers, CPA

Robin R. Mosby, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
Mohave County Airport Authority, Inc.
Bullhead City, Arizona

We have audited the general-purpose financial statements of the Mohave County Airport Authority, Inc., as of and for the year ended June 30, 1992, and have issued our report thereon dated October 8, 1992.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the Mohave County Airport Authority, Inc. for the year ended June 30, 1992, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure.

The management of the Mohave County Airport Authority, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Financing
Revenue/Receipts
Expenditures - Purchasing and Payroll
External Financial Reporting

For all of the internal control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Due to the limited number of administrative personnel there is an absence of segregation of duties in administrative and accounting functions. The absence of segregation of duties creates inherent limitations in the internal control system. Although duties are segregated when possible, at the present time management does not believe there is a sufficient volume to warrant hiring the additional employees that would be needed to achieve a significant separation of duties.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the absence of segregation of duties, as discussed above, is a material weakness.

This report is intended for the information of the board of directors, management, and all applicable federal and state agencies. However, this report is also a matter of public record, and its distribution is not limited.

Vordickers & Mosley
Certified Public Accountants
October 8, 1992

Voordeckers & Mosby
Certified Public Accountants

Robert J. Voordeckers, CPA

Robin R. Mosby, CPA

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Directors
Mohave County Airport Authority, Inc.
Bullhead City, Arizona

We have audited the general-purpose financial statements of the Mohave County Airport Authority, Inc., as of and for the year ended June 30, 1992, and have issued our report thereon dated October 8, 1992. We have also audited the compliance of Mohave County Airport Authority, Inc., with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 8, 1992.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement and about whether Mohave County Airport Authority, Inc., complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1992, we considered the internal control structure of Mohave County Airport Authority, Inc., in order to determine our auditing procedures for the purpose of expressing our opinions on the general-purpose financial statements of Mohave County Airport Authority, Inc., and on the compliance of Mohave County Airport Authority, Inc., with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general-purpose financial statements in a separate report dated October 8, 1992.

The management of Mohave County Airport Authority, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any

internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- Financing
- Revenue/receipts
- Expenditure - purchasing and payroll
- External financial reporting

Administrative Controls - General

- Political activity
- Davis - Bacon Act
- Civil rights
- Cash management
- Relocation Assistance and Real Property Acquisition
- Federal financial reports
- Drug Free Workplace Act
- Allowable costs/cost principles
- Administrative requirements

Administrative Controls - Specific

- Types of service
- Matching level of efforts
- Special requirements
- Reporting

- Claims for advances and reimbursements
- Amounts claimed or used for matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1992, Mohave County Airport Authority, Inc., expended 100 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of Mohave County Airport Authority, Inc.'s major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Mohave County Airport Authority, Inc.'s ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Due to the limited number of administrative personnel there is an absence of segregation of duties in administrative and accounting functions. The absence of segregation of duties creates inherent limitations in the internal control system and weaknesses are likely to exist. Although duties are segregated when possible, at the present time management does not believe there is a sufficient volume to warrant hiring the additional employees that would be needed to achieve a significant separation of duties.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the absence of segregation of duties as discussed above, is a material weakness. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the compliance of Mohave County Airport Authority, Inc., with requirements applicable to its major federal financial assistance programs for the year ended June 30, 1992, and this report does not affect our report thereon dated October 8, 1992.

This report is intended for the information of the board of directors, management, and all applicable federal and state agencies. However, this report is a matter of public record, and its distribution is not limited.

Voordeckers & Moody
Certified Public Accountants
October 8, 1992

Voordeckers & Mosby
Certified Public Accountants

Robert J. Voordeckers, CPA

Robin R. Mosby, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
Mohave County Airport Authority, Inc.
Bullhead City, Arizona

We have audited the general-purpose financial statements of the Mohave County Airport Authority, Inc., as of and for the year ended June 30, 1992, and have issued our report thereon dated October 8, 1992.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Mohave County Airport Authority, Inc. is the responsibility of the Mohave County Airport Authority, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Mohave County Airport Authority, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Mohave County Airport Authority, Inc., complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Mohave County Airport Authority, Inc., had not complied, in all material respects, with those provisions.

This report is intended for the information of the board of directors, management, and all applicable federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

Voordeckers & Mosby
Certified Public Accountants
October 8, 1992

Voordeckers & Mosby
Certified Public Accountants

Robert J. Voordeckers, CPA

Robin R. Mosby, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Directors
Mohave County Airport Authority, Inc.
Bullhead City, Arizona

We have audited the general-purpose financial statements of Mohave County Airport Authority, Inc., as of and for the year ended June 30, 1992, and have issued our report thereon dated October 8, 1992.

We have also audited Mohave County Airport Authority, Inc.'s, compliance with the requirements governing types of services allowed or unallowed; matching, level of effort, or earmarking; reporting; special requirements, land disposal; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1992. The management of Mohave County Airport Authority, Inc., is responsible for Mohave County Airport Authority, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Mohave County Airport Authority, Inc.'s compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Mohave County Airport Authority, Inc., complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching, level of effort, or earmarking; reporting; special requirements, land disposal; claims for advance and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1992.

This report is intended for the information of the board of directors, management, and all applicable federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

Voordeckers & Mosby
Certified Public Accountants
October 8, 1992

Voordeckers & Mosby
Certified Public Accountants

Robert J. Voordeckers, CPA

Robin R. Mosby, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Directors
Mohave County Airport Authority, Inc.
Kingman, Arizona

We have audited the general-purpose financial statements of Mohave County Airport Authority, Inc., as of and for the year ended June 30, 1992, and have issued our report thereon dated October 8, 1992.

We have applied procedures to test the Mohave County Airport Authority, Inc.'s compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1992: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property acquisition, drug free workplace act, federal financial reports, allowable costs/cost principles, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Mohave County Airport Authority, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Mohave County Airport Authority, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors, management, and all applicable federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

Voordeckers & Mosby
Certified Public Accountants
October 8, 1992